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TAGS: [PREL](#) [PGOV](#) [EUN](#) [MARR](#) [MOPS](#) [PO](#) [XG](#)
SUBJECT: EU FOREIGN POLICY UNDER THE PORTUGUESE PRESIDENCY:
THE VIEW FROM BRUSSELS

Classified By: Laurence Wohlers, Political Minister Counselor, for reasons 1.5(d) and (e).

Summary and Introduction

11. (C) Big changes in style and management of the policy process are expected when Germany hands off the six-month rotating EU Presidency to Portugal on July 1. In the realm of the EU's Common Foreign and Security Policy (CFSP), Council decision by consensus remains the rule and the EU Presidency has the power to convene the 27 EU member states and steer them toward decisions. Conversations in Brussels indicate that Portugal will be more traditional and certainly less disciplined than the German presidency and does not aspire to a strong leadership role on the CFSP. Indeed, apart from its strong CFSP policy focus on Africa, the Portuguese Permrep here has indicated that Lisbon's goal will not be to drive the policy process as the Germans have done, but rather to manage it in a way that is seen by the other 26 to be inclusive and even-handed. This will inevitably give more margin for initiative to other member states and the Council secretariat. It also will have implications for how the United States can most effectively engage the EU on CFSP/ESDP issues. This message outlines the major characteristics of the incoming Portuguese Presidency, dynamics at play on key issues in its foreign policy docket, and ways in which we may need to adapt our diplomacy. (Note: This message will not cover the economic agenda and does not suggest that the issues discussed below are the only priorities.) END SUMMARY

Can an "honest broker" presidency still manage the EU of 27?

12. (C/NF) The German presidency broke the traditional mold of honest broker presidencies by successfully imposing German-conceived policies and discipline on Council deliberations. Though some in the EU chafed at the centralization, most ultimately saluted the Germans' accomplishments. The Portuguese have made clear that they will return to the traditional, more neutral management style. This by all accounts worked well for them in Portugal's previous presidencies of 1992 and 2000. Will it be able to do so again in today's EU, which is not only much larger but more complex in the scope of its CFSP agenda? In describing the Portuguese Presidency in waiting, our contacts have praised its openness and flexibility, and the savvy of its key leadership, but also expressed concern about the impact of the country's small size, narrow foreign policy agenda (it will have to devote substantial, senior-level attention to the inter-governmental conference on the new institutional treaty and other economic issues), lack of

deep expertise on key strategic issues (except Africa), and "seat of the pants" working style. In light of these factors, how should the United States adjust its approach to working with the EU on CFSP under the Portuguese Presidency?

¶3. (C/NF) As a smaller country Presidency, Portugal will rely heavily on the EU institutions for policy as well as administrative support. We expect that on CFSP issues the Council Secretariat will frequently write the first drafts of policy conclusions that shape internal discussions. Some EU insiders think Portugal will look to CFSP High Rep Solana for counsel and direction, giving him more room for maneuver than he currently enjoys. This could irritate smaller states such as Denmark and Greece, who complain privately that the High Rep already operates according to his own agenda and lacks transparency. Council contacts also expect European Commission President Barroso to help lend a guiding hand to his compatriots here and in Lisbon.

Implication: The European Commission and the Council Secretariat will wield more influence in framing CFSP policy

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decisions than they currently enjoy under the German Presidency. The USG will need to intensify consultations with these institutional actors to shape key policy decisions.

Accelerated competition for policy dominance among bigger member states

¶4. (C/NF) Since the Portuguese only intend to focus on a limited number of issues, they will leave the way open for others (be it the EU institutions or big member states) to either shape or fight over shaping policy decisions in other areas important to us. France, Germany, the UK, and (on certain issues) Spain, are expected to drive CFSP debates on

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the more contentious regional and thematic issues, including Iran, Russia/frozen conflicts, Kosovo, and the Middle East. For example, we are already seeing a coalition of resurgent French diplomacy and French nationals in the Council Secretariat seeking to dominate ESDP policy, particularly

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with regard to Chad/Sudan -- with the Germans pushing back. At the same time, the Portuguese may lack the rigor shown by the German working group chairs who forced member states to reach consensus on core issues.

Implication: The Portuguese management style will create openings that others will rush to fill, but that we too can exploit. We will need to go directly to other Member States (both in Brussels and in capitals) who are focused on issues we care about. On the other hand, we must be on guard for surprise policy initiatives or language coming up to senior levels for decision that could have been weeded out at the expert level.

Brussels-Centered Action

¶5. (C/NF) On CFSP issues (as opposed to JHA, economic/competition issues, or constitutional issues) the locus of action for the Portuguese Presidency will be Brussels and not Lisbon. While Lisbon will look to guide policy debate on Africa, the Middle East and the Mediterranean, on other CFSP issues, they will be more a coordinator than a driver, unlike the current German presidency which took a controlling hand in all issues.

Implication: If the Portuguese strive to take everyone's interests and desires into account, we will need to make clear early what our needs are; and probably need to do as much of this in Brussels as in Lisbon. A Presidency capital

focus will not work as well here as it did under the Germans.

Informal Working Methods

¶6. (C/NF) Operational effectiveness remains a big question mark. On the positive side, Portugal has good relationships at senior levels. EU President Barroso is on excellent personal terms with PM Socrates as well as the Portuguese Permanent Representative to the EU Alvaro Mendonca e Moura. During his three-year tenure as Chef de Cabinet for then-Foreign Minister Barroso, Moura told us that he lunched one-on-one with Barroso twice a week to review all foreign policy matters. Our overall impression of Moura is that he is approachable, smart, and operationally effective. His PSC Ambassador Carlos Pais is also responsive and capable. However, at the working level, concerns have been expressed both about the level of preparedness and the degree of expertise that the Portuguese will bring to their role in the day-to-day running of the hundreds of decision-making groupings that the Presidency must chair. One German Ambassador told us that he noticed that the Portuguese did not seem to have many formal meetings among themselves to prepare; they all seemed to know each other and simply delegated issues in a very informal manner. This suggests that working groups leads in Brussels will have a lot more autonomy on various issues before they are taken to higher levels for decision.

Implication: To achieve pro-U.S. outcomes, we will need to not only work informal connections with influential players in Brussels (Solana, Barroso, Mendonca) and Lisbon, but reach out more earlier and more widely to those in the institutions and other member states who will influence the early direction of internal EU policy discussions. The way we approach the new Presidency will differ by topic. Following are critical issues on the EU CFSP agenda over the next six months and proposals for U.S. approaches to them over the next six months.

Kosovo

¶7. (C/NF) Although the Portuguese are strongly supportive of the Ahtisaari proposal and share our views of the perils of further delay, they are not going to be among the primary drivers within the EU on Kosovo. If there is a UNSCR on Kosovo, ICR-designate Pieter Feith and the Council will set the political tone, with the Commission planning the Donors' Conference and planning for medium-term assistance. We are told here that Portuguese Ambassador Tanger (who will remain resident in Vilnius) will visit Pristina (where the

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Portuguese have no meaningful presence) and key EU capitals on occasion to portray Portuguese activity. In the event of a split in the EU on Kosovo, the way the Portuguese Presidency manages Council deliberations may have a major impact on which way the EU swings. This is an additional reason for working closely with the Portuguese Mission here in Brussels and in the Contact Group. While the Portuguese Mission's COWEB expert is competent, we expect Ambassador Tanger to be the key player on any decision falling below the ministerial-level radar.

Enlargement

¶8. (C/NF) The Portuguese government and PM Socrates personally are strongly in favor of Turkish accession. However, enlargement remains a low priority for this presidency. In any case, Commission contacts believe that the Portuguese MFA, rather than their Brussels Permrep, will take the lead within the Portuguese bureaucracy on this issue. We do not expect significant problems on Croatian

accession negotiations, although Slovenia and Italy could still raise objections to opening some chapters. Portugal likely will follow the Commission's lead (and Solana's advice) on SAA negotiations with Serbia. We would not expect the Portuguese to champion Macedonia against a likely Commission recommendation (and strong Greek antipathy) not to offer Skopje the beginning of accession negotiations late this year.

Africa

¶9. (C) The EU-Africa Summit in early December will be the cornerstone of the Portuguese Presidency's focus on Africa. Portuguese Permrep Mendonca told the Ambassador that there will be equal emphasis on development, security and migration issues. The Portuguese are well aware of the depth of some EU member states' and U.S. opposition to Mugabe's participation in the summit. That said, they are determined to hold a summit with Africa and fear that not inviting Mugabe would derail the entire event. Mendonca made a special plea to the Ambassador for understanding the situation. He insisted that the Portuguese could not stop Mugabe from coming, and were prepared to speak bluntly "to his face" about human rights. However, Mendonca said it would be very important that the U.S. not make negative comments about Mugabe's attendance, as this would only divert attention away from strong statements that the EU was prepared to make. Since some EU Member States, including the UK and the Netherlands, have threatened to boycott the summit if Mugabe is there, just getting the summit successfully off the ground will be a challenge. On Sudan, contacts in the Council Secretariat expect Portugal to stick to the current EU sanctions policy which supports sanctions only within a UNSC framework. On other Africa-related matters, the Portuguese Permrep here has floated a number of Africa-themed high-level meetings but not yet revealed concrete outcomes they might hope to achieve.

NATO-EU Relations

¶10. (C/NF) The Portuguese may find themselves stuck with managing a drawn out dispute over how the NATO and EU interact on ESDP missions in Afghanistan and Kosovo.. This will defy easy resolution and we suspect the Portuguese will be looking to others for support and guidance, namely, the Council Secretariat and the larger Member States such as France, Germany, and possibly the UK. Lisbon's relationship with Madrid on these issues also bears watching. We have already seen instances in which Lisbon has followed Madrid's policy lead, even if their own inclinations might be different. This was the case for the deployment of the Eurogendarmarie Force to Kosovo, which Madrid opposed and Portugal favored. When the UN pressed for a deployment, Lisbon sided with Madrid.

Middle East

¶11. (C) There appears to be a gap between Lisbon's obvious interest and activity on Middle East issues and their preparations in Brussels. Council Middle East Policy Unit contacts tell us that the Portuguese have thus far been reluctant to engage on Middle East policy or even schedule bilateral EU-Israel meetings. Moreover, the Portuguese reps have not made an effort to develop relationships with their

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counterparts in the Council an contrast to the German Presidency). EU interlocutors are concerned that Portugal's lack of engagement will create a vacuum in leadership on the Middle East that others could try to fill. At the same time, Portugal's PSC Ambassador indicated Lisbon's intention to focus more attention on the EU's policies toward its Southern neighbors than had been the case under the German

and Finnish Presidencies.

Iran

¶12. (C) Portugal has been a strong supporter of ramping up the pressure on Iran. However, EU and local diplomatic contacts believe that the Portuguese will generally defer to High Rep Solana and the EU-3 (France, UK, Germany) on Iran. Portuguese diplomats here have confirmed this impression. In a recent meeting with Polmincouns, PSC Ambassador Carlos Pais largely stuck to the EU party line emphasizing a "two track" approach on the nuclear file (read: dialogue and sanctions) as well as unanimity in the Security Council. Pais candidly admitted that Portugal was not as informed as it could be on the nuclear issue because it is not a member of the IAEA Board of Governors (BOG). He specifically requested U.S. back-briefings on IAEA developments, if possible. The good news is that the Portuguese are inheriting a complete set of Common Policy guidance and implementing regulations on Iran from the German EU Presidency. This means that they will have the tools and the authority to convene the Council to consider further measures to bring Iran into compliance with the will of the international community. Early and focused encouragement from us could be helpful in this regard.

Russia and the Neighborhood

¶13. (C) We are hearing a growing chorus of concerns from our EU contacts, both Council and Permreps, that the Portuguese will want to "play nice" with Russia. PM Socrates recent visit to Moscow appears to be the source of much of this concern. Well-placed contacts tell us that senior Russian officials may have indicated to the Portuguese that their conduct of the Presidency will have an impact on the future of their bilateral relationship. Furthermore, Council Secretariat contacts have described the Portuguese Ambassador

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to Russia Manuel Marcelo Monteiro Curto as a one-man juggernaut on Portugal's Russia policy, friendly with Putin and decidedly "pro-Russian.." Curto is also accredited to all of the Southern Caucasus and some Central Asian countries which may influence Portuguese positions on frozen conflicts.

This all may come to a head as the Portuguese prepare for the EU-Russia summit on October 25-26 in Lisbon.

Central Asia

¶14. (C/NF) We expect Portugal to continue to let Germany take the lead on Central Asia. Portugal lacks diplomatic representation in any of the five Central Asian countries, most of which are covered by its embassy in Moscow. The French may represent the Portuguese in Kazakhstan and Turkmenistan, with the Czechs representing them in Uzbekistan and the Germans in Kyrgyzstan. The Germans have already indicated they will work to ensure that the new EU Central Asia strategy will be implemented over the next six months, particularly in the areas of education and environment. Action-forcing events in this regard could be the EU-Central Asia ministerial dinner on the margins of UNGA in New York in late September; a likely EU Central Asia Heads of Mission meeting in Ashgabat in October; and a possible Solana visit to Central Asia in the autumn.

Comment

¶15. (C/NF) Although the Portuguese have signaled their desire to work closely with us during their Presidency, they will be swept up quickly in the tide of EU business. This is particularly true because their Presidency team in Brussels is numerically small and overstretched. Consequently, we will only have a limited number of opportunities to reach them with our key concerns and expertise. We will also need to work with key member states and the Council who will drive

the EU-27 decisions. END COMMENT
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